

Appendix G: Equipment/Asset Purchase with Trade In Credit Policy: Property, Plant and Equipment (ID 024-0001)

Summary

All quotes or purchases that include a trade-in of equipment require separate line(s) for the full amount of the item(s) being purchased and a separate line for the amount offered for the item(s) being traded in. Any additional discounts offered must not be combined with the trade in amount. In addition, the vendor/supplier is required to issue an Invoice for the full amount of the new item purchased and a separate Credit Memo detailing the terms of the agreed upon Trade-In. See the Property Disposition Policy (ID 024-0008) for required instructions and forms for trade-in processing. *Note: The Credit Memo must include Make, Model and Serial Number of item(s) being traded in.

Requisition and Purchase Order (Req/PO) Processing:

Req/PO is created for full amount of the new equipment before deduction for trade in.

Invoice & Credit Memo Processing:

Submit the PO-Invoice payment request for the invoice, which must be for the full amount of the PO.

Submit the credit memo on an invoice payment request to the same chart string as the PO. The credit memo should be for the value of the trade in. If the sole source form, completed Equipment/Asset Transfer Request Form (must be completed and submitted before equipment leaves Dartmouth), and the quote were attached to the requisition or a purchase request, you do not need to attach anything other than the credit memo to the payment request. If these documents were not attached to the requisition or purchase request, attach them to the payment request.

Caution: The timing of the payment request and credit memo request is important to make sure both the PO invoice and credit memo are both entered together before the next check run, so the check is not cut for the full amount of the PO invoice.

Note: For equipment over \$25K, be sure the credit memo payment request has international wire selected from the Special Handling drop down menu, so the request is sent to Accounts Payable. An email should also be sent to Accounts Payable letting them know that a trade-in credit request is being sent for processing. The credit memo request must go to Accounts Payable.

Fixed Asset Module Processing:

The new asset is recorded in the Fixed Asset Module for the full amount invoiced not including the trade in credit amount.

The credit memo is added to the asset(s) traded in in the Fixed Asset Module. The assets traded in are retired in the Fixed Asset Module using the information from the completed Equipment/Asset Transfer Request Form submitted prior to the equipment leaving Dartmouth.

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